

Message Text

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ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 PA-01

PRS-01 USIA-06 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00

XMB-02 OPIC-03 LAB-04 SIL-01 INT-05 FEA-01 PM-03

DODE-00 /095 W

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R 241215Z JAN 75

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 1026

INFO AMEMBASSY BRUSSELS

AMEMBASSY LONDON

AMEMBASSY PARIS

C O N F I D E N T I A L KINSHASA 0691

E.O. 11652: GDS

TAGS: CG

SUBJ: ZAIRE TO MOVE ON FINANCIAL PROBLEMS

1. AMERICAN FINANCIER MAURICE TEMPELSMAN IN TOWN FOR AAI CONFERENCE HAS HAD MEETINGS WITH PRESIDENT MOBUTU, BISENGIMANA, GOVERNOR SAMBWA OF THE BANQUE DE ZAIRE, THE MINISTER OF FINANCE AND OTHER HIGH OFFICIALS. TEMPELSMAN REPORTS THAT SAMBWA RECENTLY BRIEFED MOBUTU IN DEPTH ON DESPERATION OF ZAIRE'S FOREIGN EXCHANGE SITUATION AND ON OTHER FINANCIAL PROBLEMS.

2. TEMPELSMAN REPORTS SAMBWA AS BEING OF THE OPINION THAT IT MAY BE NECESSARY TO RESCHEDULE DEBTS. APPARENTLY, ZAIRE HAS ALREADY BEEN IN TOUCH WITH THE IMF ON CERTAIN ASPECTS OF ITS CURRENT DIFFICULTIES, AND IMF MISSION IS EXPECTED SOON.

3. BISENGIMANA REPORTEDLY IS OF A DIFFERENT VIEW RE DEBT USE. HE BELIEVES THAT THE FAR-REACHING MEASURES ANNOUNCED SINCE DECEMBER 30 WILL LEAD TO DRASTIC REDUCTION IN IMPORTS AND
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FOREIGN PAYMENTS AND ALSO ZAIRE, AFTER DIFFICULT PERIOD OF

AUSTERITY FOR ABOUT SIX MONTHS, WILL PULL THROUGH WITHOUT HAVING TO REFINANCE. HE ALSO SUGGESTS HE PLANNING NEW TEAM REPORTING DIRECTLY TO HIM TO MANAGE MATTER.

4. IN HIS PRIVATE DISCUSSION WITH MOBUTU, TEMPELSMAN POINTED OUT HOW HELPFUL EXIMBANK AND US COMMERCIAL BANKS HAD BEEN IN PUTTING TOGETHER FINANCING OF SMTF COPPER PROJECT IN WHICH STANDARD OIL OF INDIANA IS A MAJOR PARTICIPANT. TEMPLEMAN NOTED THAT FORTHCOMING ATTITUDE OF US CONTRASTED TO INABILITY OR UNWILLINGNESS OF EUROPEAN BANKS AND THE NEWLY-RICH ARABS TO MAKE MUCH OF A SHOWING.

COMMENT: ABOVE INDICATES THAT UPPER REACHES OF GOZ, INCLUDING MOBUTU, AWARE OF SERIOUS FINANCIAL PROBLEMS CONFRONTING COUNTRY. IT IS ALSO CLEAR FROM THIS AND OTHER EVIDENCE THAT A POWER STRUGGLE IS IN PROGRESS AS TO WHETHER BISENGIMANA OR SAMBWA OR PERHAPS SOMEONE ELSE WILL BE TOLD BY MOBUTU TO TRY TO COPE WITH THE SITUATION.
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